

Achieving Lasting Economic Change:

How understanding child-level effects improves impact and sustainability

Economic Strengthening

Global Poverty

More than 600 million children around the world live in poverty, and another child is born into a poor household every 1.2 seconds ([UNICEF, 2012](#)).

Children are the Key

Children are critical to the sustainable alleviation of poverty.

- Early childhood nutrition, education, and physical and emotional health have profound impacts on a child's prospects for a secure livelihood in adulthood, and development efforts produce the best return on investment when they invest in children's early years ([United States Government, 2012](#)).
- Building a strong foundation in childhood is more likely to interrupt the transmission of poverty from one generation to the next ([PEPFAR, 2012](#)).

The Interventions

Attempts to address poverty often include economic strengthening. These programs typically involve approaches to improving the livelihoods of vulnerable populations such as cash transfers, financial services (savings and/or credit), financial education, enterprise and workforce development. The goal is to achieve economically sound communities that endure into the future ([IMF, 2012](#); [Glennie, 2012](#)).

Mixed Results

What Works

Economic strengthening programs can provide important benefits to children.

- A value chain project and savings group project in Africa both showed decreases in hunger in participant households ([Brunie, et al., 2014](#)).
- Microfinance programs (some with health education) in Africa showed improved

nutritional status among participants' children ([McNelly & Watson, 2003](#); [Oxfam America, 2006](#); [van Rooyan, et al., 2012](#)).

- Indian women in credit groups who received some basic health support were more likely to practice exclusive breastfeeding ([Freedom from Hunger & Reach India, 2010](#)).

Unintended Harm

Economic strengthening programs do not automatically benefit children and may increase risks to children's wellbeing, particularly in the short term.

- Many studies have found no impact on children at all ([Crépon et al., 2014](#); [Stark et al., 2011](#); [Freedom from Hunger & Reach India, 2010](#); [Bauchet, et al., 2011](#)).
- Decreasing school attendance and ability to pay school fees may result from parents directing finances toward microenterprises ([van Rooyan, et al., 2012](#); [Dev, 2011](#); [Augsburg, et al., 2012](#)).
- Growing household business activity may lead to an initial increase in child labor ([CPC Livelihoods and Economic Strengthening Task Force, 2011](#)).

Lessons Learned

Advantages of a Multi-Sector Approach

- Holistic and collaborative approaches achieve more powerful and longer lasting results than single-sector approaches ([Youth Economic Opportunities, 2014](#); [Iyengar et al., 2011](#); [Hallman, et al., 2010](#); [Ssewamala, et al., 2012](#)).
- Donors are interested in promoting coordination across programs to achieve common development objectives. See, for instance, USAID's multi-sectoral nutrition strategy ([USAID, 2014](#)).

Gender Dynamics

Men and women may have different priorities or different roles in household financial decisions, which can affect child wellbeing.

- Women tend to invest their earnings and savings in the family, leading to better immediate outcomes for children ([Chowa et al., 2007](#); [Holvoet, 2004](#); [Yoong, et al., 2012](#); [CPC Livelihoods and Economic Task Force, 2011](#); [van Rooyan, et al., 2012](#)).
- Some microcredit and income-generation programs with women participants had a positive impact on children's nutrition ([Xiong, 2012](#)).
- Men's tendency to re-invest earnings in business, although less direct than women's spending on immediate needs, may eventually lead to higher household income and family spending ([de Mel, 2009](#); [McKenzie, 2012](#)).

Knowledge Gaps

The dynamics of economic strengthening programs and their impacts on children are complex. What are the causal pathways between improved household welfare and child wellbeing?

- How do intra-household relationships and gender affect decisions made for children?
- Are some outcomes (e.g., nutrition or education) influenced more than others by increasing household income?
- How do the positive impacts on children today translate into improved economic outcomes for individuals and communities in the future?

Recommendations

Program design should be informed by the emerging evidence, and further monitoring, evaluation, and research are needed in order to build evidence.

Measuring economic strengthening projects' effects on children will help to achieve better development outcomes, accelerate learning about best practices, and increase the effectiveness of interventions.

Start at the Beginning

- Integrate child-level outcomes in economic strengthening program logical frameworks.
- Plan to monitor effects on children from the earliest stages of project design.

- Monitor child wellbeing, even if children are not project beneficiaries.
- Track indicators of positive and negative effects on children (for indicator recommendations, see [CPC Livelihoods and Economic Strengthening Task Force, 2013](#)).

Define Success with Local Indicators

- Develop a shared vision of success with local communities, children, and other stakeholders to attain meaningful results.
- Understand the potential for harm and identify indicators that are locally relevant.

Work with Local Organizations

Local ownership can raise the quality of project indicators, increase the effectiveness of data analysis through use of findings, and improve the sustainability of long-term monitoring efforts.

Seek Accountability for Programs

Donors can make a difference by elevating the importance of child wellbeing in program design, monitoring, evaluation, and research.

Document and Disseminate

Share results with stakeholders, whether positive, negative or no changes. Sharing with communities helps them take action to improve child wellbeing.

Further Reading

All of the references cited in this article can be found here. URL:

<http://www.seepnetwork.org/cyes-strivefact>

This factsheet is based on the STRIVE and CPC Network publication [Why Measuring Child-Level Impacts Can Help Achieve Lasting Economic Change](#).

For more information on the projects, please visit [STRIVE](#) at: www.seepnetwork.org/strive, and the CPC Network Livelihoods and Economic Strengthening Taskforce at: <http://www.cpcnetwork.org/task-force/livelihoods-and-economic-strengthening/>